



*City of*  
**TEGA CAY, SOUTH CAROLINA**

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*The Good Life*

September 20, 2013

**RECEIVED**

SEP 25 2013

13-083

The Honorable Governor Nikki Haley  
Office of the Governor  
1205 Pendleton Street  
Columbia, SC 29201

**PSC SC  
MAIL / DMS**

Dear Governor Haley:

We are writing to you in an effort to seek change in our City. For years, our residents have battled the private water/sewer provider within our City, but our efforts to work within the system have failed time and time again. Their business practices are not only disruptive and harmful to our residents, they are also a black eye on our County and our ecosystem. WE NEED YOUR HELP!

Utilities, Inc. is backed by a private equity owner with extensive capital to fuel their company. Based in Chicago, Illinois, they were founded in 1965 and primarily acquired utility systems in the Midwest. In the 1970's they started focusing on the southeast and in the early 1980's they acquired the system in Tega Cay. The company's business in South Carolina is known as Carolina Water Services, and in our City as Tega Cay Water Service (TCWS).

In 1999, the City of Tega Cay took the necessary steps to create our own water/sewer utility for new developments within our City limits. Today, our system has approximately 1,480 customers and it continues to grow. Unfortunately, we have no influence over the utility system that serves the other 1,744 households in our fair City. Half of our residents are forced to deal with a company that has shown little to no regard for our community or our environment. We are reaching out to you for help as this issue has transitioned from being a frustration for our residents to being a detriment to our community, and our environment's wellbeing.

We feel it is important to provide a history of our dealings with this company to help you fully understand our difficult situation. In 2011 the company experienced 27 sanitary sewer overflows (SSOs). This is raw sewage that left their system and reached the surrounding environment including but not limited to Lake Wylie. Due to this number of spills, TCWS went under enforcement with SCDHEC (Consent Order #11-004-W). As a result of this Order, their number of SSOs dropped to 6 in 2012. However from January to May 2013, the company

experience over 20 SSOs. Parts of Lake Wylie were contaminated with over 150,000 gallons of raw and partially treated sewage as a result of only 2 of these SSOs. This lake is surrounded by not only our community, but the communities of Rock Hill, River Hills, and many areas of unincorporated York County. After the last large overflow in May, the Public Service Commission placed the company under order to remedy the issues.

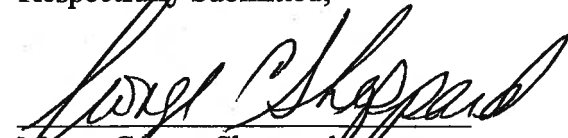
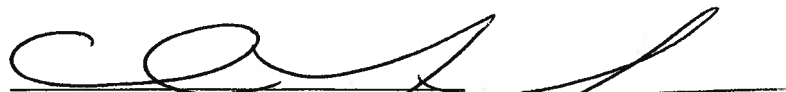
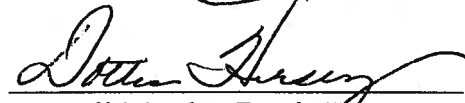
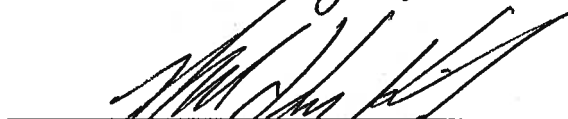

It has been reported that the City of Tega Cay received more rainfall than any other community in South Carolina this past summer. This is important because according to the company, the source of their latest system issues was inflow and infiltration (I/I) of ground water into their sewer system (even though during their last two rate increase hearings they are on record as stating their system did not have an I/I problem). In June and July the company appears to have had zero SSOs, which lead us to believe they had repaired their system. That is until Labor Day weekend, when after no significant rain events for a month, they experienced 3 additional SSOs of approximately 1,000 gallons total of raw sewage entering Lake Wylie within close proximity of where children were swimming. The company posted two small "No Swimming" advisory signs in the area of the spill and left without informing our residents of the hazard. It was not until the news media arrived that the parents of the children that were swimming found out about the incident. Imagine if it were your son or your daughter playing in Lake Wylie and this had occurred. THIS IS UNACCEPTABLE.

Since 2006 TCWS applied for and received approval from the Public Service Commission to increase their sewer rates by 66%. They also received water increases during that same time period that resulted in a 57% increase to their monthly base rate and a 21% increase in their distribution and supply rate. We are discouraged by these actions as TCWS has been granted significant rate increases yet they still continue to have significant issues with their system. Our residents still feel the burden of increasing rates, but are faced with continual lack of customer service, interrupted utility service and environmental hazards in the lake that surrounds them. The City and our residents have been following all proper procedures and lines of communication with SCDHEC, ORS and the PSC to make TCWS aware of the dilapidated state of the system, yet no improvements were seen until the company was placed under orders by SCDHEC and subsequently the PSC. We had hoped that the completely reactionary patches to their system would have, at the very least, prevented further sewer overflows into our community and lake. Unfortunately that has not been the case as evidenced by their three reported spills Labor Day weekend.

The company seems to always have a quick and easy justification to the extenuating circumstance that allows for these sewer spills. But at the end of the day, our children swim in the lake. Our residents drink the water that has passed through a system that is in disrepair. The environment and our community are suffering and we are out of options. This company continues to pollute a lake that provides recreational opportunities for the residents of York County. A lake that serves as the drinking source for the majority of the County. A lake that is one of the major attractions for folks looking to move to or visit our City. Enough is enough. We have futilely exhausted all efforts. We are requesting that your office seek immediate

action against this company and cause them to either spend the financial gains that have garnered off the backs of our residents and fix the system or surrender the system to the City so that it can be effectively and efficiently operated. The PSC has failed us. The ORS has failed us. SCDHEC has failed us. We hope that our pleas to your office will not fall on deaf ears.

Respectfully Submitted,

  
Mayor George Sheppard  
Mayor Pro Tempore Chris Landvik-Larsen  
Council Member Dottie Hersey  
Council Member Ron Kirby  
Council Member Stephen Perkins

cc: Catherine Templeton, SCDHEC  
C. Dukes Scott, ORS  
Jeffery Nelson, ORS  
Chairman G. O'Neal Hamilton, PSC